

SB2241



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB2241

Introduced 2/14/2008, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

230 ILCS 10/7

from Ch. 120, par. 2407

Amends the Riverboat Gambling Act. Requires the Illinois Gaming Board to award owners licenses to applicants whose plans (i) generate the highest amount of revenue to the State and (ii) provide for the least amount of cannibalization of existing licensees' revenues generated pursuant to this Act. Effective immediately.

LRB095 18847 AMC 44975 b

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Riverboat Gambling Act is amended by
5 changing Section 7 as follows:

6 (230 ILCS 10/7) (from Ch. 120, par. 2407)

7 Sec. 7. Owners Licenses.

8 (a) The Board shall issue owners licenses to persons, firms
9 or corporations which apply for such licenses upon payment to
10 the Board of the non-refundable license fee set by the Board,
11 upon payment of a \$25,000 license fee for the first year of
12 operation and a \$5,000 license fee for each succeeding year and
13 upon a determination by the Board that the applicant is
14 eligible for an owners license pursuant to this Act and the
15 rules of the Board. For a period of 2 years beginning on the
16 effective date of this amendatory Act of the 94th General
17 Assembly, as a condition of licensure and as an alternative
18 source of payment for those funds payable under subsection
19 (c-5) of Section 13 of the Riverboat Gambling Act, any owners
20 licensee that holds or receives its owners license on or after
21 the effective date of this amendatory Act of the 94th General
22 Assembly, other than an owners licensee operating a riverboat
23 with adjusted gross receipts in calendar year 2004 of less than

1 \$200,000,000, must pay into the Horse Racing Equity Trust Fund,
2 in addition to any other payments required under this Act, an
3 amount equal to 3% of the adjusted gross receipts received by
4 the owners licensee. The payments required under this Section
5 shall be made by the owners licensee to the State Treasurer no
6 later than 3:00 o'clock p.m. of the day after the day when the
7 adjusted gross receipts were received by the owners licensee. A
8 person, firm or corporation is ineligible to receive an owners
9 license if:

10 (1) the person has been convicted of a felony under the
11 laws of this State, any other state, or the United States;

12 (2) the person has been convicted of any violation of
13 Article 28 of the Criminal Code of 1961, or substantially
14 similar laws of any other jurisdiction;

15 (3) the person has submitted an application for a
16 license under this Act which contains false information;

17 (4) the person is a member of the Board;

18 (5) a person defined in (1), (2), (3) or (4) is an
19 officer, director or managerial employee of the firm or
20 corporation;

21 (6) the firm or corporation employs a person defined in
22 (1), (2), (3) or (4) who participates in the management or
23 operation of gambling operations authorized under this
24 Act;

25 (7) (blank); or

26 (8) a license of the person, firm or corporation issued

1 under this Act, or a license to own or operate gambling
2 facilities in any other jurisdiction, has been revoked.

3 (b) In determining whether to grant an owners license to an
4 applicant, the Board shall consider:

5 (1) the character, reputation, experience and
6 financial integrity of the applicants and of any other or
7 separate person that either:

8 (A) controls, directly or indirectly, such
9 applicant, or

10 (B) is controlled, directly or indirectly, by such
11 applicant or by a person which controls, directly or
12 indirectly, such applicant;

13 (2) the facilities or proposed facilities for the
14 conduct of riverboat gambling;

15 (3) the highest prospective total revenue to be derived
16 by the State from the conduct of riverboat gambling;

17 (4) the extent to which the ownership of the applicant
18 reflects the diversity of the State by including minority
19 persons and females and the good faith affirmative action
20 plan of each applicant to recruit, train and upgrade
21 minority persons and females in all employment
22 classifications;

23 (5) the financial ability of the applicant to purchase
24 and maintain adequate liability and casualty insurance;

25 (6) whether the applicant has adequate capitalization
26 to provide and maintain, for the duration of a license, a

1 riverboat;

2 (7) the extent to which the applicant exceeds or meets
3 other standards for the issuance of an owners license which
4 the Board may adopt by rule; and

5 (8) The amount of the applicant's license bid.

6 (c) Each owners license shall specify the place where
7 riverboats shall operate and dock.

8 (d) Each applicant shall submit with his application, on
9 forms provided by the Board, 2 sets of his fingerprints.

10 (e) The Board may issue up to 10 licenses authorizing the
11 holders of such licenses to own riverboats. In the application
12 for an owners license, the applicant shall state the dock at
13 which the riverboat is based and the water on which the
14 riverboat will be located. The Board shall issue 5 licenses to
15 become effective not earlier than January 1, 1991. Three of
16 such licenses shall authorize riverboat gambling on the
17 Mississippi River, or, with approval by the municipality in
18 which the riverboat was docked on August 7, 2003 and with Board
19 approval, be authorized to relocate to a new location, in a
20 municipality that (1) borders on the Mississippi River or is
21 within 5 miles of the city limits of a municipality that
22 borders on the Mississippi River and (2), on August 7, 2003,
23 had a riverboat conducting riverboat gambling operations
24 pursuant to a license issued under this Act; one of which shall
25 authorize riverboat gambling from a home dock in the city of
26 East St. Louis. One other license shall authorize riverboat

1 gambling on the Illinois River south of Marshall County. The
2 Board shall issue one additional license to become effective
3 not earlier than March 1, 1992, which shall authorize riverboat
4 gambling on the Des Plaines River in Will County. The Board may
5 issue 4 additional licenses to become effective not earlier
6 than March 1, 1992. In determining the water upon which
7 riverboats will operate, the Board shall consider the economic
8 benefit which riverboat gambling confers on the State, and
9 shall seek to assure that all regions of the State share in the
10 economic benefits of riverboat gambling.

11 The Board shall award owners licenses to applicants whose
12 plans (i) generate the highest amount of revenue to the State
13 and (ii) provide for the least amount of cannibalization of
14 existing licensees' revenues generated pursuant to this Act.
15 For the purposes of this subsection (e), "cannibalization"
16 means the diversion of revenues generated pursuant to this Act
17 from existing licensees by an owners licensee authorized under
18 this subsection (e). In determining whether cannibalization
19 exists, the Board shall also consider the extent to which the
20 applicant can attract from market areas of neighboring states.

21 In granting all licenses, the Board may give favorable
22 consideration to economically depressed areas of the State, to
23 applicants presenting plans which provide for significant
24 economic development over a large geographic area, and to
25 applicants who currently operate non-gambling riverboats in
26 Illinois. The Board shall review all applications for owners

1 licenses, and shall inform each applicant of the Board's
2 decision. The Board may grant an owners license to an applicant
3 that has not submitted the highest license bid, but if it does
4 not select the highest bidder, the Board shall issue a written
5 decision explaining why another applicant was selected and
6 identifying the factors set forth in this Section that favored
7 the winning bidder.

8 In addition to any other revocation powers granted to the
9 Board under this Act, the Board may revoke the owners license
10 of a licensee which fails to begin conducting gambling within
11 15 months of receipt of the Board's approval of the application
12 if the Board determines that license revocation is in the best
13 interests of the State.

14 (f) The first 10 owners licenses issued under this Act
15 shall permit the holder to own up to 2 riverboats and equipment
16 thereon for a period of 3 years after the effective date of the
17 license. Holders of the first 10 owners licenses must pay the
18 annual license fee for each of the 3 years during which they
19 are authorized to own riverboats.

20 (g) Upon the termination, expiration, or revocation of each
21 of the first 10 licenses, which shall be issued for a 3 year
22 period, all licenses are renewable annually upon payment of the
23 fee and a determination by the Board that the licensee
24 continues to meet all of the requirements of this Act and the
25 Board's rules. However, for licenses renewed on or after May 1,
26 1998, renewal shall be for a period of 4 years, unless the

1 Board sets a shorter period.

2 (h) An owners license shall entitle the licensee to own up
3 to 2 riverboats. A licensee shall limit the number of gambling
4 participants to 1,200 for any such owners license. A licensee
5 may operate both of its riverboats concurrently, provided that
6 the total number of gambling participants on both riverboats
7 does not exceed 1,200. Riverboats licensed to operate on the
8 Mississippi River and the Illinois River south of Marshall
9 County shall have an authorized capacity of at least 500
10 persons. Any other riverboat licensed under this Act shall have
11 an authorized capacity of at least 400 persons.

12 (i) A licensed owner is authorized to apply to the Board
13 for and, if approved therefor, to receive all licenses from the
14 Board necessary for the operation of a riverboat, including a
15 liquor license, a license to prepare and serve food for human
16 consumption, and other necessary licenses. All use, occupation
17 and excise taxes which apply to the sale of food and beverages
18 in this State and all taxes imposed on the sale or use of
19 tangible personal property apply to such sales aboard the
20 riverboat.

21 (j) The Board may issue or re-issue a license authorizing a
22 riverboat to dock in a municipality or approve a relocation
23 under Section 11.2 only if, prior to the issuance or
24 re-issuance of the license or approval, the governing body of
25 the municipality in which the riverboat will dock has by a
26 majority vote approved the docking of riverboats in the

1 municipality. The Board may issue or re-issue a license
2 authorizing a riverboat to dock in areas of a county outside
3 any municipality or approve a relocation under Section 11.2
4 only if, prior to the issuance or re-issuance of the license or
5 approval, the governing body of the county has by a majority
6 vote approved of the docking of riverboats within such areas.
7 (Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667,
8 eff. 8-23-05; 94-804, eff. 5-26-06.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.